

Transportation Asset Management

**A STRATEGIC APPROACH TO MANAGING
MICHIGAN'S ROADS AND BRIDGES**



WHY ASSET MANAGEMENT?

- P Best Management Practice; used by private sector, military, and utility companies for many years**
- P Recommendation of Act 51 Funding Study Committee**
- P Consistent with the new requirements of GASB Statement 34 which requires accounting of infrastructure assets in financial accounting reports**
- P CRAM/MDOT Pilot Project Experience**
- P It's a smart, efficient way to run your operations**



ACT 51 FUNDING COMMITTEE

P Bi-partisan committee recommended:

- A long-term, planned asset management process to be used statewide
- An Asset Management Council be established
- Road and bridge data for all jurisdictions be collected and maintained under the direction of the Council



DEFINITIONS

P Asset Management: “An on-going process of maintaining, upgrading, and operating physical assets cost-effectively, based on a continuous physical inventory and condition assessment.”

P Federal-Aid Eligible: “Any public road or bridge that is eligible for federal-aid to be spent for the construction, repair or maintenance of the particular facility.”

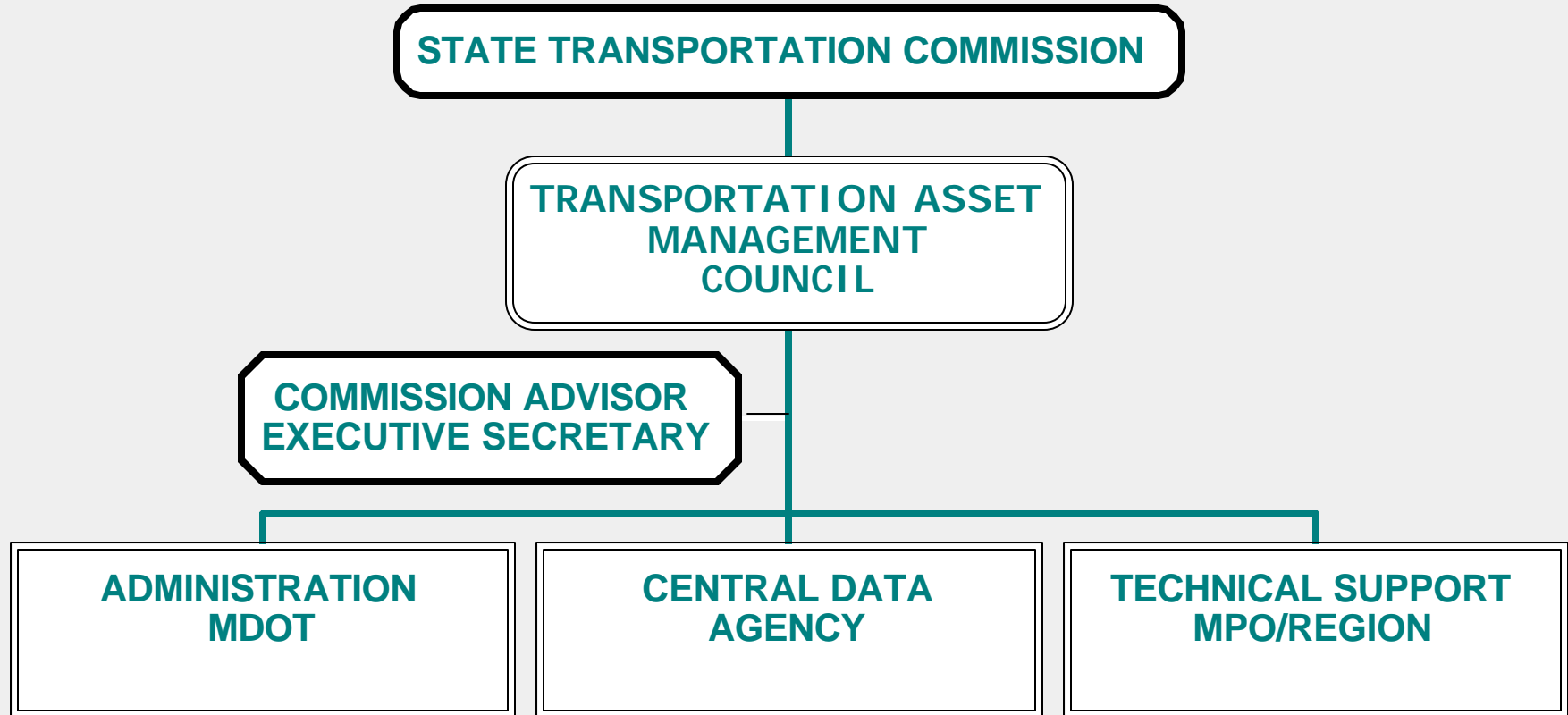


COVERAGE

- P Federal-Aid eligible highway system
– some 39,000 miles of arterials and
collectors**
- P Later extended to entire road
system**
- P In a cost-effective, efficient manner**



ORGANIZATION CHART



ROLE OF THE STATE TRANSPORTATION COMMISSSION

- P Council created within STC**
 - **Emphasizes the seriousness of the process**
 - **Bi-Partisan Body with a statewide perspective**
- P Appoint members of the council from names submitted by respective organizations**
- P Approve rules of operation**
- P Establish an annual budget**
- P Receive an annual report**



TRANSPORTATION ASSET MANAGEMENT COUNCIL

- P 11 Members: 10 voting, one non-voting**
- P Voting Members (2 from following organizations): CRAM, MML, Planning & Development Regions/MPOs, and MDOT; one each from MTA and MAC**
- P Non-voting member from the agency chosen to house data**
- P 3-year terms, staggered**
- P Chair selected from voting members**
- P MDOT provides qualified staff; MPOs technical support**



TRANSPORTATION ASSET MANAGEMENT COUNCIL

MISSION

P Advising the State Transportation Commission on a statewide asset management strategy and the necessary procedures and analytical tools to implement such a strategy on Michigan's highway system in a cost-effective, efficient manner



WHAT WILL THIS ENTAIL?

- P Common condition assessment and data collection process
- P On-going training program for condition assessment
- P Establishing protocols for data storage and selection of a neutral agency to house the combined statewide data
- P Establish procedures for development of 3-year road and bridge program and reporting requirements
- P Recommending an annual budget for the operation and management of the process and the council
- P Submitting an annual report to the State Transportation Commission and the Legislature
- P Other issues that may arise regarding asset management
 - Come from Commission
 - Recommendations from Act 51 Funding Study Committee
 - Appoint “technical advisory panel”



FUNDING

P Comes from an annual appropriation from the MTF

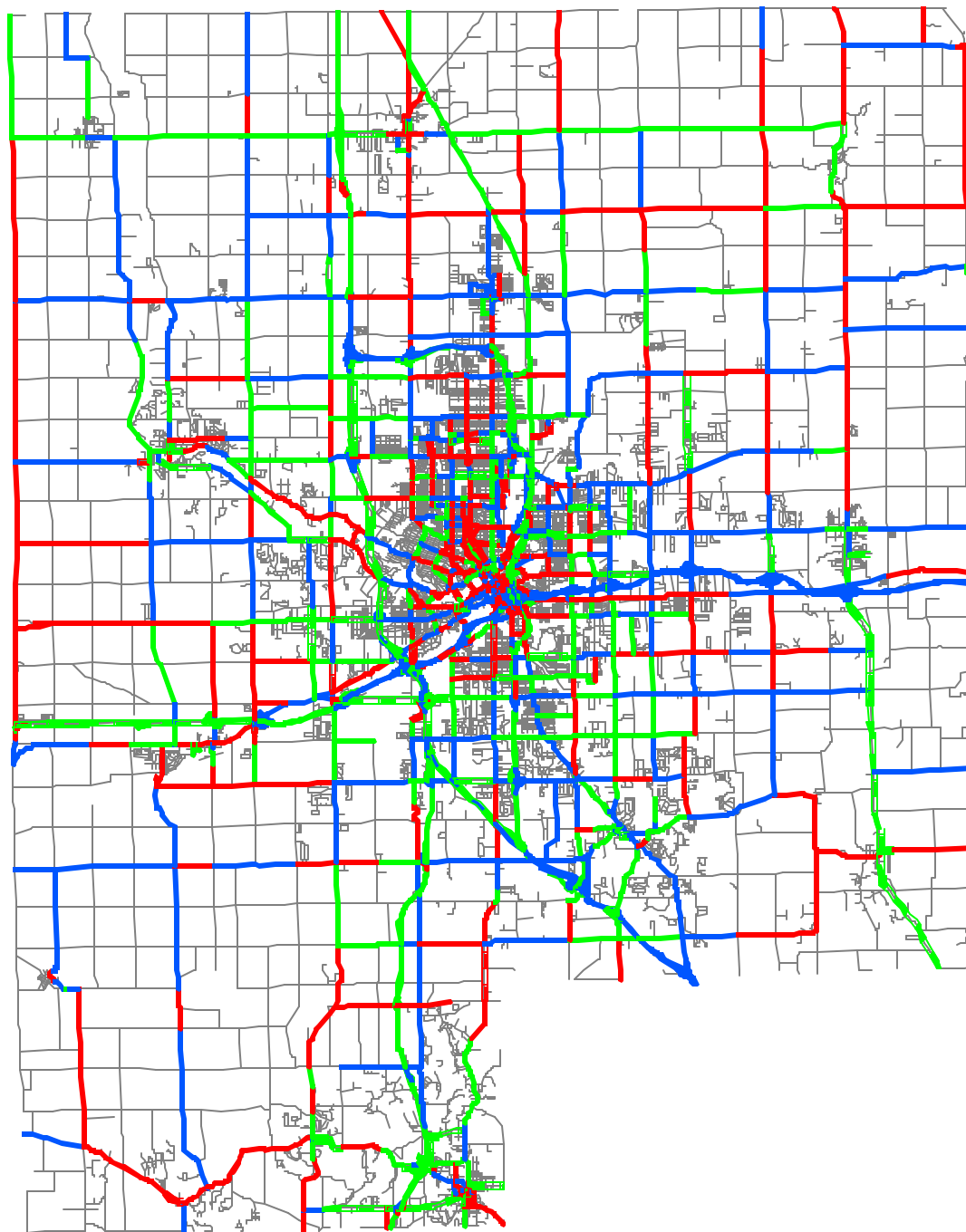


INITIAL FOCUS

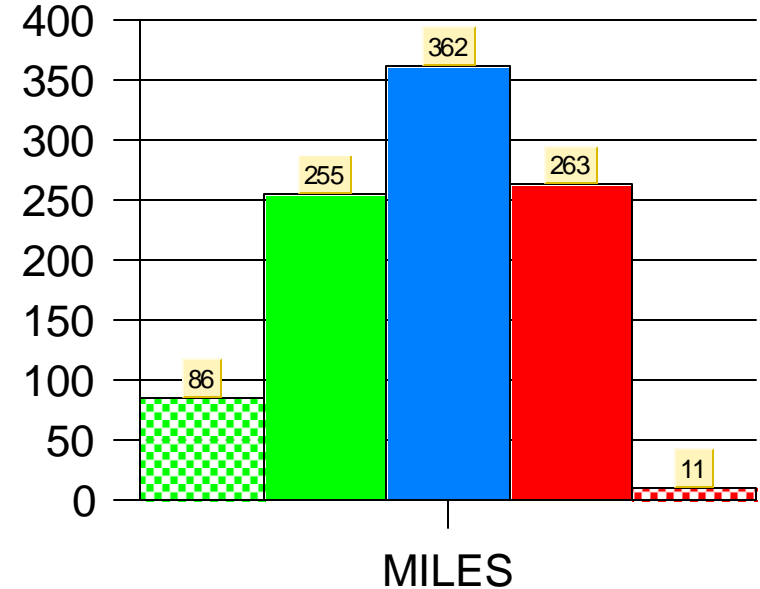
COMMON DATA COLLECTION






- P Major recommendation of Act 51 Funding Study Committee**
- P Council will establish procedures for collecting road and bridge data using a common method**
 - ▶ Establishing schedules for when data should be collected and reported
 - ▶ Training in the use of PASER
 - ▶ Analyzing and reporting of data
- P Will build on the experience from “pilot studies”**
- P Must be consistent with current federal regulations and state accounting procedures (GASB 34)**










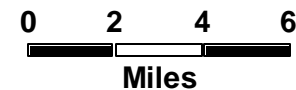
ASSET MANAGEMENT SCALE



-  CATEGORY 1 (PASER Ratings 9 - 10)
-  CATEGORY 2 (PASER Ratings 7 - 8)
-  CATEGORY 3 (PASER Ratings 5 - 6)
-  CATEGORY 4 (PASER Ratings 3 - 4)
-  CATEGORY 5 (PASER Ratings 1 - 2)

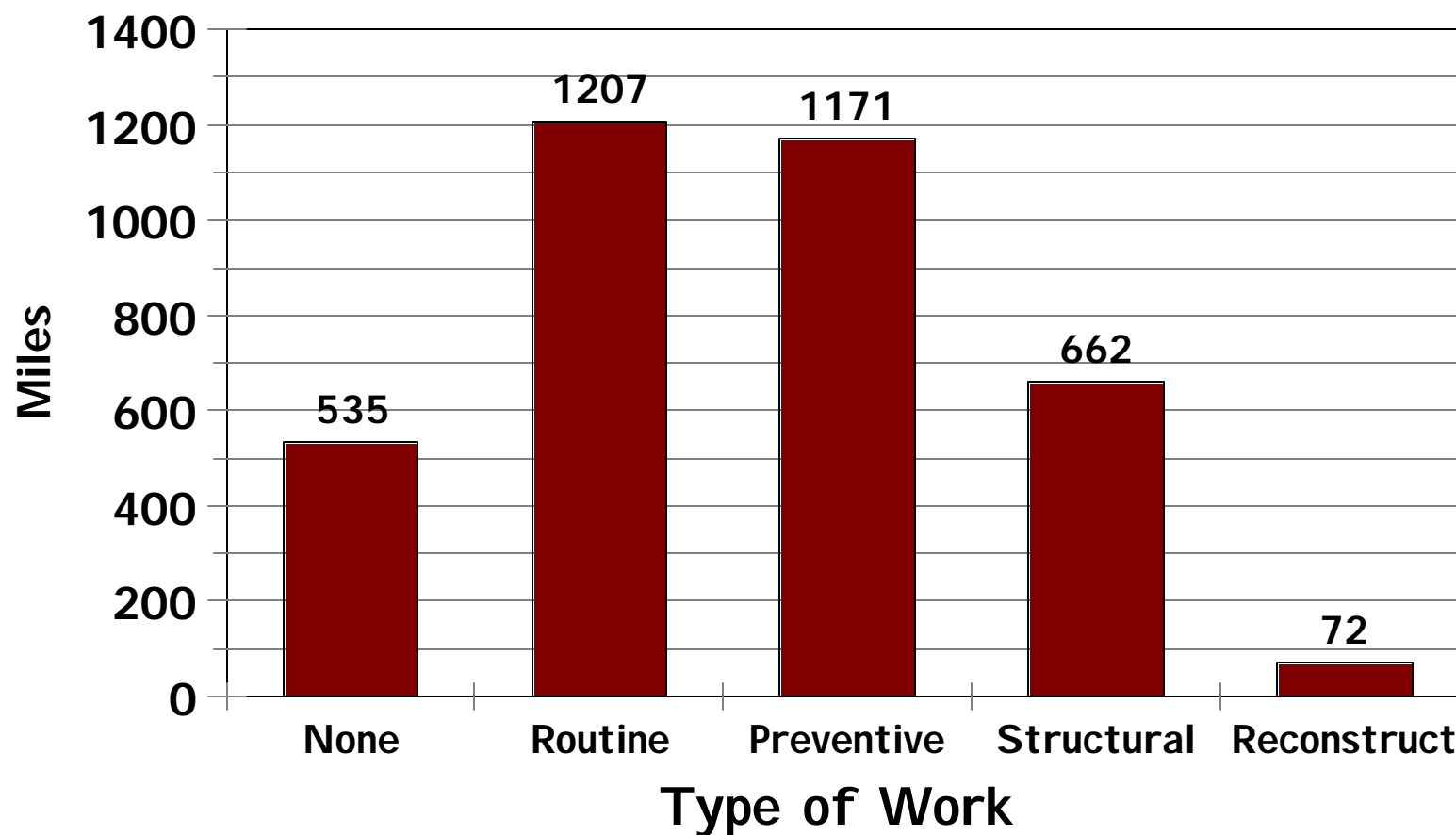
ASSET MANAGEMENT SCALE CATEGORIES

-  1 = No Maintenance Needed
-  2 = Routine Maintenance
-  3 = Preservative Treatments
-  4 = Structural Rehab
-  5 = Reconstruction



Asset Management: Totals

Federal-Aid System



MULTI-YEAR ROAD & BRIDGE PROGRAM

- P** Compilation of proposed projects for maintaining, preserving, and improving the federal-aid eligible system
- P** Make it consistent with the current TIP process
- P** Public, Legislature, developers will know where and when road projects will take place
- P** Will aid in compliance with GASB 34 which says that you must show that you are maintaining the system at the established level



OTHER ISSUES

WHICH COULD BE CONSIDERED BY COUNCIL

- P Establishing procedures for a statewide review of National Functional Classification**
- P Locating culverts**
- P Testing compatibility of PASER with other condition assessment processes**
- P Providing assistance in using the “modified” approach for GASB 34**



SUMMARY

WHAT ARE THE MAJOR BENEFITS?

- P Provide a unified approach to effectively managing the highway system**
- P Views the system from the perspective of the driving public rather than individual road agencies**
- P Institutes key recommendations of the Act 51 Funding Study Committee**
- P Provides a forum for discussing and reaching consensus on key issues in a spirit of cooperation rather than competition**

